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C O N F I D E N T I A L SECTION 01 OF 02 BAGHDAD 002101

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SUBJECT: NAJAF GOVERNOR MEETS MULTI-NATIONAL DIVISION SOUTH
MAJOR GENERAL NASH

REF: BAGHDAD 2014

Classified By: PRT NAJAF ACTING TEAM LEADER ROBIN DIALLO FOR REASONS 1.
4 (b) and (d).

1.(C) Summary: On July 27, 2009, Najaf Governor Adnan Zurfi met Multi-National Division-South (MND-S) Major General Nash to discuss security and regional economic conditions. Governor Zurfi told General Nash that the provincial government is capable of managing and securing the city, and that people feel less threatened as evidenced by commercial and social activity in the streets in the evening. Zurfi complained that electricity and water shortages hamper economic growth in his province, and noted that Iranian tour operators receive the lion's share of economic benefit from religious tourism to southern Iraq. Despite these challenges, Zurfi was cautiously optimistic about Najaf's prospects in the near term. END SUMMARY.

Lack of Essential Services Hampers Business and Tourism

12. (C) Najaf Governor Adnan Zurfi told MND-S General Nash on July 27 that three months into the tenure of the new provincial government, essential services remain the key issue for his administration. He noted that the province routinely receives only six hours of electricity per day from the national grid and that provincial government had to step in to help the private sector by providing generators and fuel to augment the electricity supply. Zurfi stated that water shortages hamper existing businesses. General Nash inquired regarding the status of major industries across Najaf. Zurfi explained that Najaf has a few government-owned companies including a clothing manufacturer, tire factory and two cement factories. He claimed that the cement factories were operating at 30% of capacity due to competition from Iran and Pakistan. Zurfi hoped that with receipt of a new generator for the main plant, capacity could increase to 60-70% and help lower the price of production. He added that over 100 small Najafi companies had closed since 2003 due to competition from inexpensive Iranian and Chinese imports.

13. (C) Zurfi commented that most tourism to southern Iraq was tied to the holy Shi'a shrines cities (including Najaf) and attracted many pilgrims from Iran. He lamented that the pilgrimage trade is controlled by Iranian tour operators, and that tourists spend little in Najaf restaurants and other businesses (reftel). According to the governor, tourism puts a lot of pressure on Najaf's essential services, especially water, but the province gets very little for it. He told Nash that he had requested that Baghdad turn over one half of the visa fees collected from Iranian pilgrims, to ensure that the province could provide the necessary services while also earning some revenue.

Foreign Influence Pervasive in Najaf

14. (C) Zurfi told General Nash that Iraqi Security Forces

(ISF) including Iraqi Police (IP) and Iraqi Army (IA) are capable of countering major threats. He is concerned, however, that Iranian and Syrian-backed terrorists (including Hezbollah) remain an ongoing threat in Najaf, because of their ability to carry out IED bombings, sniper attacks and kidnappings. He claimed that Iranian intelligence agencies use the tourism traffic to cover their activities in Najaf. Zurfi went on to note that Iranian intelligence monitors his movements very closely. (NOTE: Zurfi told PRToffs on July 15, 2009 that he had credible intelligence that Jaysh Al Mahdi (JAM) elements were targeting him in the old town of Najaf Q(JAM) elements were targeting him in the old town of Najaf and that he was concerned for his personal safety. END NOTE.)

15. (C) General Nash and Governor Zurfi also discussed IP and IA readiness in advance of upcoming major pilgrimages in August, including Shabaniya, the anniversary of the birthday of the twelfth imam. Zurfi reassured Nash that the ISF were ready to maintain order for parliamentary elections in January 2010 as well. He explained that local IP now has six hundred women officers (out of a total workforce of fifteen thousand) to conduct searches on female pilgrims.

16. (C) Zurfi proudly stated that he wants to be known as the "law and order" governor. He has been pushing the IP to improve their skills and act more like police, rather than the military. In Zurfi's view, the IP should do more patrols by foot and be available to the public around the clock. To indicate progress, Zurfi mentioned that he has ordered T-wall barricades to be removed, and that people feel more secure.

17. (SBU) Zurfi highlighted that he is very interested in developing small businesses. The provincial government now

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requires Iraqi sourcing and materials for government contracts. He observed that local hotels were fully occupied during pilgrimage season, and he was anxious to attract investors to upgrade the facilities available to visitors to Najaf.

18. (C) COMMENT: The fruitful meeting between the Najaf Governor and MND-S commander bodes well for continued close engagement. The current administration feels pressure to deliver on campaign promises with regard to essential services; however, progress is slower than desired. GOI initiatives including Iraqi Commander's Emergency Response Program (ICERP) and USG funded Commander's Emergency Response Program (CERP) projects should provide some relief over the coming months as several larger electrical projects come on line. END COMMENT.

19. (C) BIOGRAPHICAL NOTE: Zurfi told General Nash that he was forced to join the Ba'ath party in the 1980's in order to secure a place at university but was not an active party member. While still at university, he joined the Da'wa party. He was sentenced to 25 years in prison for joining an illegal organization and served several years before escaping from Abu Ghraib prison the night the US commenced Desert Storm in January 1991. He claimed that he joined the Shia uprising and then escaped to Saudi Arabia; from Saudi Arabia he came to the U.S. in 1994. He spent five years in Chicago before settling in Dearborn Heights, Michigan. He noted that he visits the U.S. for about a month each year and that he has no plans to bring his family to Iraq because they would be "in prison" with limited freedom of movement. In his youth, Zurfi was an avid soccer player. Today he is an avid Chicago Bulls and Detroit Pistons basketball fan.
HILL